

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7125

BILL NUMBER: HB 1376

DATE PREPARED: Jan 8, 2002

BILL AMENDED:

SUBJECT: Prophetstown State Park.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill extends by ten years the period during which 50% of the innkeeper's tax revenue in Tippecanoe County may be allocated to the Department of Natural Resources (DNR) for the development of projects in Prophetstown State Park. The revenue may be distributed directly to the DNR and allows the DNR to use up to 25% of the revenue received to make grants to (1) a nonprofit corporation for use in the state park; and (2) a community development corporation for recreation or tourism projects in the county. The bill requires the DNR to enter into a memorandum of understanding with the organizations eligible for a grant to provide for how the grant money will be distributed between the organizations. The bill also changes population parameters to reflect changes in the 2000 decennial census.

Effective Date: July 1, 2002.

Explanation of State Expenditures: The DNR has received over \$1,175,000 from the Tippecanoe Innkeepers Tax over the past two fiscal years (FY 2000 and FY 2001). The DNR has expended \$75,000 for development within the park boundaries to the Museums. An amount of \$1.1 M was allocated for land acquisition and additional development.

Under the proposed, the DNR may use up to 25% of the revenue received, or \$147,000 annually, to make grants to a nonprofit corporation and to a community development corporation. Over the course of a ten-year period, the DNR could use an estimated \$1.5 M for these grants. The \$1.5 M would then not be used for park development.

Explanation of State Revenues: For FY 2000 and FY 2001, the DNR has received over \$1,175,000 from the Tippecanoe Innkeepers Tax. Extending by ten years the period during which 50% of the revenue from the Innkeepers Tax is allocated to the DNR will generate approximately \$5.8 M in additional funds over the ten-year period for the DNR to use in the development of the park or for grants (as indicated in State Expenditures).

Explanation of Local Expenditures: Tippecanoe County collected \$1,373,299 from the 5% innkeepers tax in FY 2001 and \$1,322,714 in FY 2000, for a total of \$2,696,013 for the two-year period. Of this two-year total, the county has distributed to the DNR a total of \$1,175,000, or 44%. (The percentage may not equal 50% due to the difference in fiscal years.)

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources

Local Agencies Affected: Tippecanoe County

Information Sources: Carrie Bales, Executive Office, DNR, 317.232.5918.